LNF & IHCIF Calculations Illustration

- Bay Mills in Bemidji area -

Given Data

- 1,080 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 42% = % Expenditures on purchased services, 58% = % expenditures in-house
- 97.2% = Cost index for purchasing health care in this geographic area
- 134.7% = Size cost index for in-house costs due to small or large size
- 105.9% = Bemidji area cost index for health status above or below average

Cost Adjustment Calculations

- $1,231 per person for purchased services = 42% * 97.2% * $2,980
- $2,308 per person for in-house services = 58% * 134.7% * $2,980
- $3,539 per person total = $1,231 (purchase) + $2,308 (in-house)
- **$3,749 per person total** adjusted for health status = $3,539 * 105.9%
- **$3,004 per person net cost** = $3,749 - $745 Other resources (M&M&PI)

Existing Expenditures (for 1,080 users excluding wrap-around and collections)

- $1,054 per person = local IHS allowance (excludes $ for wrap-around)
- $94 per person = expenditures elsewhere in Bemidji area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$1,202 per person for OU users** = $1,054 + $94 + $54

LNF Calculation

- **32.1% Gross LNF** = $1,202 (expenditures) / $3,749 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **40.0% Net LNF** = $1,202 / $3,004 net cost ($3,749 - $745 other)

IHCIF Allocation

- $647,748 = $ to raise LNF% from 40.0% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$22,593 Allocation** = $647,748 needed for 60% * 3.488% IHCIF fraction

Bay Mills Unmet Needs

- **$3,243,796 Net Total Need** = 1,080 users * $3,004 net cost
- **$1,945,266 Net Unmet Need** = (100% - 40.0% LNF) * 1,080 users * $3,004 net cost